

Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 TRSE-00
/036 R

DRAFTED BY EB/OA/AVP:JSGRAVATT:PMA
APPROVED BY EB/OA:MHSTYLES
EUR/WE:AHUGHES
FAA:NPLUMMER
USAF:BRIG. GEN. MAXSON
DOD:EMCVAYDEN

-----086223 180347Z /61

P R 172304Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY MADRID PRIORITY
INFO JUSMAAG MADRID

C O N F I D E N T I A L STATE 043027

PASS FAA CAAG

E.O. 11652: GDS

TAGS: EAIR, SP, US

SUBJECT: CIVAIR - U.S. ASSISTANCE TO SPANISH AIR
TRAFFIC CONTROL EFFORT

REF: (A) STATE 35264 AND (B) MADRID 1261

1. INFORMATION PROVIDED BELOW IS INTENDED FOR USE BY
THE AMBASSADOR AND OTHER SENIOR LEVEL MISSION OFFICIALS
AT CORRESPONDING GOS LEVEL AND IS GUIDANCE TO ALL
MISSION ELEMENTS.

2. INTERDEPARTMENTAL MEETING MENTIONED IN PARA. 1
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REFTEL (A) WAS HELD AND IT WAS AGREED USG SHOULD PROVIDE
GOS WITH CLARIFICATION ON HOW FAA AND USAF DATA WERE
REACHED, SO THAT SPANISH CAN PROCEED WITH A BASIC
DECISION AS TO WHETHER TO INSTALL A DUAL PURPOSE
(MILITARY/CIVIL) MADRID AUTOMATED CONTROL SYSTEM (MADAC)
OR A PURELY CIVIL AIR TRAFFIC CONTROL CENTER. SUCH A
DECISION WOULD, IN A LARGE MEASURE, DETERMINE THE

DEGREE OF MILITARY INVOLVEMENT IN THE DEVELOPMENT OF A CIVIL ATC CENTER. WE RECOGNIZE THAT ESTABLISHMENT OF A SEPARATE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS WITH RESPONSIBILITY FOR CIVIL AVIATION MATTERS IN GOS AND RESPECTIVE REQUESTS FOR ASSISTANCE FROM MTC TO FAA AND MOS TO USAF IS A COMPLICATING AND OFTEN CONFUSING FACTOR. A FUNDAMENTAL ELEMENT BEARING ON THE DETERMINATION OF THE ATC SYSTEM CONFIGURATION AND EFFECTIVE COORDINATION IS THE NEED FOR THE SPANISH AUTHORITEIS TO UNDERTAKE ON AN URGENT BASIS THE DEVELOPMENT OF MILITARY/ CIVIL COORDINATING AGREEMENTS IN THEAREAS OF PLANNING, OPERATIONS, LOGISTICS, JOINT-USE FACILITIES, ETC. U.S. EXPERIENCE WITH A COORDINATED ATC SYSTEM HAS SHOWN THIS IS ESSENTIAL.

3. THE USAF DESIGNED AND COSTED A JOINT MILITARY/CIVIL SYSTEM (MADAC); MILITARY IN THE SENSE OF A BACKUP TO THE SPANISH AIR DEFENSE SYSTEM (SADA) OR COMBAT GRANDE; CIVIL IN THE SENSE THAT DAY-TO-DAY FUNCTIONS ARE EXCLUSIVELY FOR CONTROL OF ENROUTE AIR TRAFFIC IN SPANISH AIRSPACE. THE USAF STUDY SHOWS THAT THE COST OF ONE JOINT SYSTEM IS LESS EXPENSIVE THAN TWO SEPARATE SYSTEMS. THE LIFE CYCLE COSTS FOR THE JOINT SYSTEMS ARE MINIMIZED BECAUSE THE USAF DESIGN PROVIDES LOGISTICAL AND TRAINING COMPATABILITY WITH THE EXISTING COMBAT GRANDE SYSTEM. THE FAA STUDIED A DEDICATED CIVIL ATC
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PROCESSING AND DISPLAY SYSTEM. THEY CONSIDERED THE USAF APPROACH AS ONE OF SEVERAL POSSIBLE COMPETING SYSTEMS FOR AN EXCLUSIVELY CIVIL ROLE. THIS APPROACH, HOWEVER, DOES NOT PROVIDE COMPARABLE LONG-TERM SAVINGS IN SUPPORT AND TRAINING IF NON-SADA TYPE EQUIPMENT IS SELECTED.

4. AS STATED IN REFTL (A), THE FAA HAS MADE NO DETAILED COST ANALYSIS SINCE SUCH ANALYSIS WOULD BE UNDERTAKEN WHEN EVALUATING RESPONSES TO A REQUEST FOR PROPOSALS (RFP). NEVERTHELESS THERE ARE SPECIFIC DIFFERENCES IN THE USAF AND FAA COST STUDIES WHICH COULD BE A SOURCE OF CONFUSION TO THE SPANISH:

A. THE USAF PRICE OF 58 MILLION DOLLARS IS AN ESTIMATED PRICE; I.E., THE AIR FORCE AGREES TO ; WRITE SPECIFICATIONS, PROCURE, INSTALL, TEST AND TURN OVER MADAC FOR THE ESTIMATED PRICE; THE FAA WOULD ONLY SERVE AS ADVISORS TO THE GOS, WHO, THEMSELVES, MUST MANAGE ALL THESE ASPECTS OF THE ACQUISITION.

5. THE FOLLOWING SPECIFIC ADDITIONS ARE INCLUDED IN

THE USAF 58 MILLION FIGURE:

A. A CONSERVATIVE 7 PERCENT FACTOR FOR INFLATION (8.5M DOLLARS) SINCE THE PROPOSED PROCUREMENT WILL SPREAD OVER SEVERAL YEARS;

B. AN APPROPRIATE FACTOR FOR MANAGEMENT RESERVE (6M DOLLARS) IS ALSO INCLUDED TO PAY FOR ANTICIPATED ENGINEERING CHANGES AS THE ACQUISITION PROGRESSES;

C. COSTS FOR A SYSTEMS ENGINEERING CONTRACTOR, THE MITRE CORPORATION, (4.5M DOLLARS);

D. A SEPARATE TRAINING, PROGRAMMING SUPPORT FACILITY
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(TPSF) AT A COST OF 3.0 MILLION DOLLARS; THIS FACILITY ALSO SERVES AS THE FIRST LEVEL BACKUP TO THE MILITARY WITHOUT INTERFERENCE WITH THE ROUTINE OPERATIONS OF THE CIVIL SYSTEM;

E. UNIQUE COSTS IN THE USAF DESIGN WHICH ARE EXCLUSIVELY MILITARY AMOUNTING TO 4 MILLION DOLLARS;

F. OTHER DIFFERENCES SUCH AS .9 MILLION FOR REMOTING EQUIPMENT TO ACCOMMODATE 62 CIVIL GROUND-TO-AIR RADIOS INTO THE JOINT SYSTEM; 1.5 MILLION DOLLARS FOR USAF PROVIDED OPERATIONAL TRAINING; AND .6 MILLION DOLLARS FOR A 720 HOUR AVAILABILITY DEMONSTRATION PRIOR TO TURN OVER.

IF THESE COSTS WERE SUBTRACTED FROM THE USAF PROPOSAL, THE RESULTING COSTS FOR AN AUTONOMOUS CIVIL SYSTEM WOULD BE MUCH LESS. HOWEVER, USAF WOULD NOT BE ABLE TO OFFER THE SYSTEM FOR THAT PRICE.

6. WE BELIEVE THERE IS BASICALLY NO DISAGREEMENT BETWEEN THE USAF AND FAA STUDIES WHEN EVALUATED FROM PERSPECTIVE OF DIFFERENT REQUIREMENTS AND COMPARED ON THE BASIS OF LIKE FEATURES. WE AGREE THAT IF THE GOS DECIDES ON MADAC, THEN THE USAF PROPOSAL IS COST EFFECTIVE. IF NO MILITARY BACKUP IS DESIRED, WE AGREE THAT COMPETITIVE PROCUREMENT COULD LOWER INITIAL ACQUISITION COSTS. HOWEVER, IT IS NOT CLEAR THAT A COMPETITIVE APPROACH WOULD LOWER LIFE CYCLE COSTS.

7. ACCORDINGLY, WE RECOMMEND THAT EMBASSY

A. REMOVE THE CURRENT RESTRICTIONS ON THE CAAG AND
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JUSMAAG;

B. URGE THE GOS TO MAKE AN EARLY DETERMINATION ON THE OVERALL DESIGN OF THEIR CIVIL ATC SYSTEM;

C. EMPHASIZE THE NEED FOR THE GOS TO DEVELOP COORDINATING AGREEMENTS WHICH ARE ESSENTIAL TO THE EFFECTIVE OPERATION OF A DUAL PURPOSE ATC CENTER OR ANY SYSTEM USING COMMON ELEMENTS;

D. POINT OUT TO THE GOS THAT, IF COMPETITIVE PROCUREMENT

IS DESIRED, THE FAA, THROUGH CAAG, IS WILLING TO ASSIST GOS IN PREPARATION OF RFPS AND IN REVIEWING THEM FOR RESPONSIVENESS TO TECHNICAL REQUIREMENTS, BUT CANNNOT EVALUATE COSTS OR RECOMMEND SELECTION OF BIDDER AS BETWEEN U.S. COMPETITORS;

E. POINT OUT TO GOS THAT IF THE COMBAT GRANDE EXTENSION IS SELECTED, THE USAF IS PREPARED TO RELEASE THE RFP AS BRIEFED. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR TRAFFIC CONTROL
Control Number: n/a
Copy: SINGLE
Draft Date: 17 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE043027
Document Source: CORE
Document Unique ID: 00
Drafter: JS GRAVATT:PMA
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780075-0234
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780239/aaaabguh.tel
Line Count: 192
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 14fb07d4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 35264, 78 MADRID 1261
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3552955
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - U.S. ASSISTANCE TO SPANISH AIR TRAFFIC CONTROL EFFORT
TAGS: EAIR, SP, US
To: MADRID
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/14fb07d4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014